

CHAPTER 13-03-08
ADMINISTRATION OF NEGOTIABLE OR TRANSFERABLE INSTRUMENTS
OF ACCOUNT

Section

13-03-08-01 Definitions

13-03-08-02 Issuance of Negotiable or Transferable Instruments

13-03-08-01. Definitions. Negotiable or transferable instrument of account means an account from which the holder is authorized to withdraw funds by means of a negotiable or transferable instrument or other order.

History: Effective August 1, 1981.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-01-04, 6-06-06

13-03-08-02. Issuance of negotiable or transferable instruments. The board of directors, by resolution, may establish negotiable or transferable instrument accounts with different dividend rates in conformance with the following:

1. Any terms and conditions prescribed by the board of directors and concerning the issuance and maintenance of negotiable or transferable instrument accounts must be consistent with the requirements of this section.
2. Negotiable and transferable instrument accounts shall be subject to any notice which may be imposed pursuant to the credit union's bylaws.
3. In addition to the general requirements applicable to the establishment and maintenance of negotiable and transferable instrument accounts, the board of directors shall provide for:
 - a. Surety bond coverage.
 - b. Establishing an account agreement with each member that outlines both credit union and member responsibilities.
 - c. Retaining copies or photo reproductions of paid instruments or other evidence of paid orders of withdrawal on file for a period as required by applicable state law.
 - d. Written operational and program specifications on file at the credit union's principal office.
 - e. A share or deposit account which is separate and apart from all other accounts held by the member to be used for accessing by negotiable or transferable instrument.
4. The board of directors may provide for:

- a. Fees to be assessed for account usage to include but not limited to, charges for stop-payment orders, overdrafts, failure to maintain required balances, and costs required to maintain the account.
- b. Participation in guarantee arrangements.
- c. A dividend to be paid, any terms of which are not inconsistent with the North Dakota Century Code and the bylaws of the credit union.

History: Effective August 1, 1981.

General Authority: NDCC 6-01-04

Law Implemented: NDCC 6-06-06